

Message Text

LIMITED OFFICIAL USE

PAGE 01 BRASIL 09216 092033Z

43

ACTION TRSE-00

INFO OCT-01 ARA-06 ISO-00 EB-07 COME-00 OPIC-03 CIEP-01

AID-05 IGA-01 SS-15 NSC-05 SP-02 L-02 H-01 CIAE-00

DODE-00 INR-05 NSAE-00 PA-01 RSC-01 USIA-06 PRS-01

/063 W

----- 003857

P 092011Z DEC 74

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 6787

LIMITED OFFICIAL USE BRASILIA 9216

PASS DEPT. OF TREASURY FOR NATHAN N. GORDON (INTERNATIONAL TAXATION)

E.O.11652: N/A

TAGS: EFIN, BR

SUBJECT: BILATERAL TAX TREATY: DEFALCO/GORDON TELCON

1. FOLLOWING IS THE PROPOSED DRAFT NOTE WHICH , WITH YOUR CONCURRENCE, WE WOULD LIKE TO TRANSMIT TO THE FINANCE MINISTRY THROUGH THE MINISTRY OF FOREIGN RELATIONS.

2. QUOTE: THE EMBASSY PRESENTS ITS COMPLIMENTS TO THE MINISTRY OF EXTERNAL RELATIONS AND HAS THE HONOR TO INFORM THE MINISTRY OF THE DESIRE OF THE GOVERNMENT OF THE UNITED STATES TO COMMENCE PRELIMINARY TECHNICAL DISCUSSIONS THAT WILL EXPLORE PROSPECTS FOR THE CONCLUSION OF A BILATERAL INCOME TAX TREATY BETWEEN THE GOVERNMENT OF BRAZIL AND THE GOVERNMENT OF THE UNITED STATES.

3. THE EMBASSY BELIEVES THAT A TREATY AT THIS TIME WOULD BE BENEFICIAL TO BOTH PARTIES, FOR THE FOLLOWING REASONS:

A. A NUMBER OF AMERICAN COMPANIES HAVE MADE RE-

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BRASIL 09216 092033Z

REPRESENTATIONS TO THE EMBASSY AND TO THE DEPARTMENT OF THE

TREASURY IN WASHINGTON THAT THE NON-EXISTENCE OF A
BILATERAL TREATY IS AN OBSTACLE TO THE FLOW OF AMERICAN
INVESTMENT CAPITAL TO BRAZIL.

B. THE AMERICAN CONGRESS IS PRESENTLY CONSIDERING
LEGISLATION WHICH MAY AFFECT THE TAX TREATMENT OF
U.S. DIRECT INVESTMENT OVERSEAS; IT WOULD BE OPPORTUNE
DURING THE PROPOSED TECHNICAL DISCUSSIONS TO ANALYZE
CERTAIN OF THESE POSSIBLE CHANGES IN U.S. TAX
LEGISLATION AND TO EXPLORE HOW SUCH CHANGES COULD BE
DEALT WITH IN A BILATERAL TREATY.

4. THE EMBASSY TAKES THIS OPPORTUNITY TO RENEW
TO THE MINISTRY THE ASSURANCES OF ITS HIGHEST
CONSIDERATION. END QUOTE.

5. YOUR ATTENTION IS CALLED TO PARA. 3B, WHICH, AS
DISCUSSED DURING DEFLACO/GORDON TELECON, WAS INSERTED
AT THE REQUEST OF DORNELLES FROM THE MINISTRY OF
FINANCE.
JOHNSON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TAX AGREEMENTS, NEGOTIATIONS, DIPLOMATIC NOTES
Control Number: n/a
Copy: SINGLE
Draft Date: 09 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: izenbei0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BRASIL09216
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740357-0130
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741251/aaaabrke.tel
Line Count: 82
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 18 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 SEP 2002 by kelleyw0>; APPROVED <03 MAR 2003 by izenbei0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BILATERAL TAX TREATY: DEFALCO/GORDON TELCON
TAGS: EFIN, BR, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005